processing, then the "nay sayers" will be correct. The Commission will have created a new local exchange bottleneck.

The Commission can avoid creating new bottlenecks by allowing BPP functionality to be implemented from various locations within the local exchange carrier's network and from sophisticated CPE. For example, CAPs could install MessagePhone's trunk-side architecture, or a similar technology, and offer BPP on operator calls originating from their customers. In addition, CAPs could compete with LECs even further by offering some or all of the services listed in Section III.A. These services would be beneficial both to consumers and IXCs, and would allow CAPs to further differentiate themselves from their LEC competitors.[25]

Also, in its reply comments submitted August 27, 1992, MessagePhone demonstrated that the steps necessary for BPP could be executed from CPE, including intelligent pay telephones.[26] Obviously, the quality of the service offering, especially from pay telephones, would not be as high. Time delays would be more likely. Also, because most CPE does not have SS7 signaling capability, LIDB queries would have to be reformatted from within the public network. The LECs' LIDBs currently only accept queries in an SS7 format. Whereas the Commission must mandate that CPE cannot be programmed to

---

25 CAPs have complained that the access the LIDB data base also is bottleneck that they would have to traverse in order to offer BPP. (See MFS at 2-4, 9-10) In its comments, MFS recommended that a neutral third-party should be selected to administer the LIDB data bases (MFS at 2-3, 9-10) Actually, because of its expertise and background, a company like MessagePhone is ideally suited to manage LIDB if the Commission should decide that a third party should administer the data bases.

26 MessagePhone 1992 Reply Comments at 36-39.

speed-dial around BPP, it could decide to allow CPE owners to perform their own BPP routing.

MessagePhone assumes that, ultimately, many CAPs will choose to purchase equipment and perform BPP routing from their own networks, especially since platforms, like MessagePhone's trunk-side architecture, would enable them to offer many additional services. Conversely, MessagePhone realizes that most, if not all, CPE owners will choose to utilize the LECs to execute BPP functionality. This will most certainly be the case if the Commission decides that IPPs should receive BPP compensation from OSPs.

VII. CONCLUSION

It is time for consumers of public telephones to enjoy the benefits of equal access. They should not be burdened by having to dial access codes or extra numbers in order to access their preferred service providers. They should not run the risk of having access to their preferred service provider blocked by unscrupulous service providers. Accordingly, the Commission should mandate BPP.

In addition, the Commission must allow LECs to use cost-effective, alternative technologies, such as those designed by MessagePhone, to offer BPP. Because of the advanced nature of these architectures and

technologies, LECs will be able to offer a wide variety of revenue-generating services, thus reducing further the cost of BPP. Finally, to assure the survival of the private pay telephone industry, the Commission should require LECs to unbundle and make available the numerous basic services described herein. With these services, IPPs will be able to reduce their business costs and generate new revenues.

For the reasons discussed herein, the Commission promptly must adopt rules implementing BPP.

Respectfully Submitted,

MESSAGEPHONE, INC.

BY: Douglas E. Neel

Douglas E. Neel
Vice President, Regulatory Affairs
MessagePhone, Inc.
5910 N. Central Expressway
Dallas, Texas 75206
(214)987-8130

September 13, 1994

EXHIBIT A

MESSAGEPHONE, INC. - APPLICATION LIST

FOR THE

PAYPHONE GATEWAY PLATFORM (PGP)

The PGP is comprised of a Front-End Processor (FEP) and a Remote Management System (RMS). The FEP provides coin line, TSPAN and business line interfaces between the pay telephone and the Central Office (CO). The FEP can be installed in several locations from the CO to the Remote Monitor (RM). The RMS is connected to the FEP via the CO. The PGP operates as an independent element in providing the new basic, gateway, maintenance, and diagnostic functions. Three separate interface circuits are available in each PGP unit, as follows:

- Coin Line Interface : Complete automatic line interface functions.

- TSPAN Interface : Complete automatic line interface functions.

- Business Line Interface : Complete automatic line interface functions.

The following is a menu of specific applications which are presently available from the PGP:

1. **Automatic Message Delivery (AMD)** - When a caller is unable to complete a call due to a busy or ring/no answer (RNA) condition, the PGP offers the caller the option of recording a message that the Voice Messaging System will attempt to delivery to the called party (for Coin, Calling Card, Credit Card, and Debit Card calls).

2. **Magnetic AMEX/MasterCard/VISA at the Bong** - The PGP distinguishes the type of debit, credit or calling card used and validates at the proper time via customer key pad entry of card number.

3. **Metered Local, Toll and Long Distance Calls** - The PGP provides the capability for measured custom rating service for all paystations (regardless of CO switch capabilities) and prepayment and collection which will prevent walkaways and create new revenues from local call metering.

4. **900/540/976 Number Collection and Processing** - The PGP provides the capability to perform the Collection Processing, Coin, and Debit or Credit Card, for information service numbers.

5. **Instant Operator - Live** - The PGP automatically transfers the caller to a live operator if the caller is having difficulty completing a call or if the caller requests a service that requires a live operator, painting the operator screen with information on the call in process or the preceding call.

6. **Instant Conference Calling** - The PGP provides the capability to connect the caller and called party with an additional party by instantaneously ordering dial tone upon the request of the caller.

7. **BPP/InterLATA Call Set-Up** - LEC is permitted to provide Automated Call Set-Up before hand-off for transportation on intra/interLATA calls. Call Set-Up includes BONG, gathering billing information, validation, rating, handing-off to OSP or IXC, measuring duration, maintaining a record, and preparing a tape for billing. With the PGP, this service can be offered under two circumstances:

   A. OSP or IXC Contracts LEC to Perform Intra/InterLATA Call Set-Up - PGP identifies contract customer call and effects Call Set-Up according to the terms of the contract.

   B. Caller is Prompted and Selects LEC to Provide Call Set-Up for a Discount - LEC prompts intra/interLATA calls after "0+" input that "for a 10% discount, LEC will set up your call and then give it to your PIC carrier for transport".

8. **Sent-Paid Equal Access** - The PGP provides the rating, coin collection and accounting of sent-paid calls required for delivering paid calls to presubscribed or alternate carriers.

9. **IXC Least Cost Routing** - The "0+" caller is prompted "for $.25, the call will be routed to the least cost carrier's line for a particular time of day and destination".

10 **Unbillable Card Conversion** - The PGP provides the ability to convert non-billable CIID cards to other billable cards so the call can be completed by prompting callers to use other types of cards.

11 **Answer Detection** - The PGP provides answer detection for billing and other services.

12 **Coin in the Box Accounting/Notification** - The PGP provides accounting of all coins deposited in the coin phone vault. Reporting and "full coin hopper" notification are provided by the PGP.

13 **1-0-XXX Fraud Prevention** - The PGP provides the intelligence necessary to conform with 1-0-XXX dialing requirements. The intelligence prevents a situation whereby a caller dials a 1-0-XXX "1+" call without depositing coins and the carrier completes the call and bills it to the payphone operator. Operators without intelligent paystations are especially at risk.

14 **Chain Dialing** - PGP allows the number to start a new call, using the previous call's billing information.

15 **Coin Activity Line Monitoring** - The PGP is a proactive system which provides continuous monitoring of line activity. The PGP can detect and report abnormal periods of inactivity on coin lines.

16 **Per Call Compensation Accounting** - For non-LEC owned pay telephones, AT&T will pay a transaction fee each time a caller dials 10288 "0+". The PGP will provide the COPT provider with a peg count of dial-arounds.

17 **Debit Card Processing** - The PGP provides the capability for remote processing of Debit Card calls for fraud control and rating and can integrate into the "banking" system used by MTA.

18 **Diagnostic Monitor and Maintenance** - The PGP has the capability to alert paystation owners as to off-hook, no dial tone, faulty keypad, and other situations.

19. **Intelligent Automated Operator** - The PGP provides the capability to offer other automated and monitoring services such as automated fraud control, i.e., detection of PIN number abuse. Automated call is disabled and caller is transferred to security operator.

EXHIBIT B

MessagePhone, Inc. ("MPI")
Service Revenue/Cost Savings Overview
MPI Payphone Gateway Platform ("PGP") Solution

New Revenue Sources

The New Revenue Sources section details the PGP services which have not previously been available in the marketplace - "new money". This new revenue is further broken down between that available to the regulated side of the LEC ($306 per pay telephone annually) and that which is available to the unregulated side of the LEC as well as other Enhanced Service Providers ($365 per pay telephone annually).

A LEC with the PGP deployed to 150,000 pay telephones would generate $45,900,000 annually (150,000 x $306) for the regulated side of the business and have the potential to generate $54,750,000 (150,000 x $365) for the unregulated side of the business.

Other Revenue/Cost Savings Sources

The Other Revenue/Cost Savings Sources section details opportunities (including BPP) for the regulated side of the LEC ($1,246 per pay telephone annually). All of the services in this section are presently being performed in the marketplace. The PGP would afford the LEC the capability to perform these services in a competitive manner.

For "0+" to "1+" conversion and "0-" to "1+" conversion, the LEC would be performing these services on behalf of such IXCs/OSPs as Sprint, Cable and Wireless, etc. The respective IXCs/OSPs should have an interest in paying the LEC wholesale prices to efficiently provide the services with this new PGP technology.

The last seven sources "Coin Handling/Coin in Box Accounting" through "Diagnostic Monitor and Maintenance" are maintenance features which create cost savings as opposed to generating revenue. The total annual cost savings per pay telephone for these features total $373.

A LEC with the PGP deployed to 150,000 pay telephones would generate $130,950,000 annually (150,000 x $873) for the revenue producing services and $55,950,000 annually (150,000 x $373) for the maintenance (cost savings) features. Total annual combined other revenue and cost savings potentially amounts to $186,900,000 for the 150,000 pay telephones.

Although Basic BPP will be deployed to 100% of the pay telephone market, it is unrealistic to assume that the LECs will deploy the other revenue producing services to more than 35% of the market (52,500 pay telephones) because it is anticipated that most of the major carriers will want to "do it themselves". Basic BPP revenue would be $80,700,000 (150,000 x $538) and other automated (including optional processing) revenue producing services would be $17,587,500 (52,500 x $335) annually. Also, it is unrealistic to assume all the cost savings features will be deployed to 100% of the market; however, at least one or more of the cost savings features should be utilized on every pay telephone. Therefore, 50% of the market (75,000 pay telephones) is utilized for presentation purposes to demonstrate total cost savings. Cost savings would be $27,975,000 (75,000 x $373) annually. Total annual other revenue and cost savings for this more realistic deployment amounts to $126,262,500.

MessagePhone, Inc. ("MPI")
Service Revenue/Cost Savings
MPI Payphone Gateway Platform ("PGP") Solution

	Annual Revenue/Cost Savings Per Phone		
	LEC's Share (1)	Other's Share	Total
New Revenue Sources			
Automatic Message Delivery – A	$108	$134	$242
AMEX/MasterCard/VISA at the Bong – B	8	86	94
Metered Calls (Local) – C	92		92
Metered Calls (Toll & Long Distance) – C	24	26	50
900/540/976 Unblocking – D	15	35	50
Instant Information to Live Operator – E	19	44	63
Instant Conference Calling – F	40	40	80
Total New Revenue Sources	**$306**	**$365**	(2) **$671**

Other Revenue/Cost Savings Sources

"0+" to "1+" Conversion (Basic BPP) – G	$266	
"0+" to "1+" Conversion (Optional Processing) – G	61	
Total "0+" to "1+" Conversion – G		$327
"0–" to "1+" Automated Conversion (Basic BPP) – H	136	
"0–" to "1+" Automated Conversion (Optional Processing) – H	64	
Total "0–" to "1+" Automated Conversion – H		200
"0–" to "1+" Live Conversion (Basic BPP) – H	136	
"0–" to "1+" Live Conversion (Optional Processing) – H	53	
Total "0–" to "1+" Live Conversion – H		189
Sent–Paid Equal Access – I		35
IXC Least Cost Routing – J		122
Universal Card Conversion – K	N/A	
Answer Detection – L	N/A	
Coin Handling/Coin in Box Accounting – M		71
1–0–XXX Fraud Prevention – N	N/A	
Chain Dialing – O		23
Coin Activity Line Monitoring – P		52
Per Call Compensation Accounting – Q	N/A	
Change Card Interface – R		175
Diagnostic Monitor and Maintenance – S		52
Total Other Revenue/Cost Savings Sources		**$1,246**
Total All Services		**$1,552**

* A through S reference to footnotes.

(1) "LEC's Share" represents the regulated side of the business.
(2) Represents a line of business opportunity for the unregulated side of the business.

EXHIBIT "B"

MessagePhone, Inc. ("MPI")
Service Revenue/Cost Savings
MPI Payphone Gateway Platform ("PGP") Solution

The following is an analysis of additional service revenue generated and maintenance feature cost savings realized upon deployment of the PGP by the Local Exchange Carrier ("LEC"). The services are categorized between "New Revenue Sources" for services not previously available and "Other Revenue/Cost Savings Sources" for existing services.

A. Automatic Message Delivery ("AMD")

The number of different type calls (coin and non-coin) as well as the revenue generated annually by each type call was developed for a typical COPT pay telephone utilizing public information published by Peoples Telephone Company, Inc. ("Peoples").

Assume 7,570 coin calls (90% local) per line annually are completed (70%) and 3,244 coin calls per line annually are incomplete (30%). A 10% AMD acceptance rate (324 calls per line) and $.52 in gross revenue per call (cost of call plus $.25) would generate an average of $168 per line annually.

Annual gross coin AMD revenue per line projected to be $168.

Assume 973 calling card, automated and live non-coin calls per line annually are completed (70%) and 417 calling card, automated and live non-coin calls per line annually are incomplete (30%). A 10% AMD acceptance rate (42 calls per line) and a fixed $1.75 AMD charge per call would generate an average of $74 per line annually.

Annual gross non-coin AMD revenue per line projected to be $74.

Annual combined coin and non-coin AMD revenue per line projected to be $242.

For AMD coin calls, the Enhanced Service Provider ("ESP") would receive $81 ($.25 per call) and the LEC would receive $87 ($.27 per call).

Assume the LEC charges the ESP $.05 per AMD offering for non-coin incomplete calls (417 per line). Thus, the LEC would receive $21.

LEC annual combined coin and non-coin AMD annual revenue projected to be $108.

The ESP and long distance carrier would receive $134 representing the difference in the $242 of coin and non-coin gross AMD revenue and the LEC's share of $108.

B. **AMEX/MasterCard/VISA at the Bong**

Presently, most callers initially attempt using a LEC or IXC card when making a long distance call. Although it will be a second harvest after the LEC and IXC cards, the PGP provides the capability to validate AMEX, MasterCard and VISA cards at the Bong. It is estimated that the 605 annual Bong calls will increase by 30 calls (5%) when this alternate billing method is provided. These additional credit card calls would generate average revenue of $2.88 per call or $86 per line annually.

Annual credit card call gross revenue per line projected to be $86.

The assumption is made that the caller will pay the LEC a surcharge of $.25 for the privilege of using these credit cards and the associated processing costs. Using the 30 additional Bong calls at a $.25 surcharge per call would total $8 of new revenue per line annually.

LEC annual revenue per line projected to be $8.

C. **Metered Calls**

Call metering is not available for LEC pay telephone local calls without the PGP. The economic benefit would be the revenue differential gained by being able to offer this service, i.e., after 15 minutes on a local call, the LEC can require that an additional $.25 be deposited by the caller for additional minutes. It is estimated that annual local coinage of $1,844 could be increased by 5% or $92 in additional revenue.

LEC annual local coin revenue per line projected to be $92.

Metering toll and long distance coin calls would prevent walkaways. Walkaways are costing the LECs approximately 25% of toll and long distance coinage. Assuming toll and long distance coinage of $200 per line annually, then the total annual savings per line would be $50.

Annual gross toll and long distance coin revenue per line projected to be $50.

Assume the LEC would retain 100% of the intraLATA metered call new revenue or $13 (100% x 25% x $50) and 30% of the interLATA metered call new revenue or $11 (30% x 25% x $150).

LEC annual toll and long distance revenue per line projected to be $24.

LEC annual combined coin and toll and long distance revenue per line projected to be $116.

D. **900/540/976 Unblocking**

Presently a caller cannot dial a 900, 540 or 976 prefix from a pay telephone. Unblocking these numbers through credit, bank or other card recognition would afford the caller access to a myriad of services and information data bases. All of these type calls are generally "high dollar" service offerings. This service should generate a minimum of $50 in annual revenue per line.

Annual gross revenue per line projected to be $50.

The LEC would retain approximately 30% of this new revenue or $15 for processing.

LEC annual revenue per line projected to be $15.

E. **Instant Information to Live Operator**

The PGP provides the capability to splash a call to a live operator's screen to salvage the call when the caller encounters a problem. The caller's problem could involve any number of situations such as mis-entering a credit card number, invalid credit cards, not understanding automated instructions, etc. This service should save 2% of annual non-coin long distance revenue ($3,167) or $63.

Annual gross revenue per line projected to be $63.

The LEC would retain approximately 30% of this new revenue or $19.

LEC annual revenue per line projected to be $19 for processing.

F. **Instant Conference Calling**

The benefit derived from this PGP service is the additional revenue generated from being able to hook-up (connect) the caller and called party with an additional party on a conference call. Assume this service would increase coin revenue ($2,044) by 1% or $20. Also assume 2% of the callers would utilize conference calling on the 973 non-coin calls annually. These 20 non-coin conference calls priced at $3 per call would generate $60 of new revenue annually. The LEC would retain 30% of this revenue or $20 for call set-up and processing.

Annual gross revenue per line projected to be $80.

LEC annual revenue per line projected to be $40.

G. "0+" to "1+" Conversion

Total new revenue for the LEC generated by "processing" "0" calls is divided between Basic BPP and Optional Processing.

Basic BPP:

Currently the LEC provides billing and collection services on a wholesale basis. These tariffed services are primarily provided to AT&T, Sprint, MCI, and three major independent billing services at prices ranging from approximately $.07 to $.21 per individual billing. The $.07 is charged to AT&T while the $.21 is charged to everyone else.

Basic BPP would expand the LEC services to include playing the Bong and querying LIDB for PIC determination and appropriate validation. The LEC would then transport the call and billing information to the IXC/OSP.

Optional Processing:

Call rating and rate table maintenance as well as detail accounting and processing must be performed before the CDR tape is ready for billing. Among these numerous services for billing preparation are call duration recording, CDR tape preparation, and CDR tape sorting for billing. Currently, both Sprint and MCI have made capital expenditures to perform these functions for themselves. They may or may not want to turn these procedures over to the LEC depending on whether the LEC's price is competitive.

Second tier IXCs, independent OSPs and pay telephone companys pay anywhere from $.18 to $.40 per billing for these billing services. It is believed that the LEC will provide a competitive product to this market segment.

According to People's published information, a typical COPT pay telephone completes 605 calling card calls annually. These calling card calls generate average revenue of $2.88 per call or $1,742 per line annually assuming an average eight minute call.

Basic BPP processing revenue amounts to $266 ($.44 per call) and is comprised of Bong ($.20 per call), LIDB query for caller's PIC and validation ($.18 per call), and transport of call and billing information to IXC/OSP ($.06 per call).

LEC annual Basic BPP processing revenue per line projected to be $266.

Optional Processing revenue amounts to $61 ($.10 per call) and is comprised of call rating ($.03 per call), rate table maintenance ($.01 per call), call duration

recording ($.02 per call), CDR tape preparation ($.02 per call), and CDR tape sorting for billing ($.02 per call).

LEC annual Optional Processing revenue per line projected to be $61.

H. **"0-" to "1+" Conversion**

According to People's published information, a typical COPT pay telephone completes 213 automated calls and 155 live calls annually. Automated calls generate average revenue of $826 per line annually ($3.88 per call) and live calls generate average revenue of $600 per line annually ($3.88 per call). The $3.88 assumes an average eight minute call.

Automated Calls:

Basic BPP processing revenue for automated calls amounts to $136 ($.64 per call) and is comprised of Bong ($.20 per call), LIDB query for destination's PIC and validation ($.18 per call), custom prompts ($.20 per call), transport of call and billing information to IXC/OSP ($.06 per call).

LEC annual Basic BPP automated call processing revenue per line projected to be $136.

Optional Processing revenue for automated calls amounts to $64 ($.30 per call) and is comprised of call rating ($.03 per call), custom prompts ($.20 per call), rate table maintenance ($.01 per call), call duration recording ($.02 per call), CDR tape preparation ($.02 per call), and CDR tape sorting for billing ($.02 per call).

LEC annual Optional Processsing automated call revenue per line projected to be $64.

Live Calls:

Basic BPP processing revenue for live calls amounts to $136 ($.88 per call) and is comprised of Bong ($.20 per call), LIDB query for destination's PIC and validation ($.18 per call), custom prompts ($.20 per call), live operator ($.24 per call), transport of call and billing information to IXC/OSP ($.06 per call).

LEC annual Basic BPP live call processing revenue per line projected to be $136.

Optional Processing revenue for live calls amounts to $53 ($.34 per call) and is comprised of call rating ($.03 per call), live operator ($.24 per call), rate table maintenance ($.01 per call), call duration recording ($.02 per call), CDR tape preparation ($.02 per call), and CDR tape sorting for billing ($.02 per call).

LEC annual Optional Processing live call revenue per line projected to be $53.

I. Sent-Paid Equal Access

Coin rates include a premium over standard "1+" long distance rates. At present, all coin interLATA "1+" calls are carried by AT&T. Other long distance carriers would pay the LEC the premium over their "1+" rates to access coin traffic from pay telephones presubscribed to them. If long distance carriers would accept repayment from the LECs on what they would have charged on a standard "1+" telephone call, then the LEC could keep the coinage premium over "1+" rates. The long distance carriers would also eliminate their collection problems.

The annual coin interLATA revenue for the pay telephone is $150. Of the $150 total, approximately $100 is the coinage premium over "1+" rates. However, only 35% of all pay telephones are not presubscribed to AT&T. Therefore, the annual new revenue generated would be 35% of $100 or $35.

LEC annual revenue per line projected to be $35.

J. IXC Least Cost Carrier Routing

Several alternative methods are available for the LEC to provide least cost carrier routing to the caller. The alternatives include: (1) Providing a "premium" LEC card to the caller which indicates the desire for this service when the card is utilized; (2) Utilizing custom prompts to offer the service to the caller; or (3) Coupling this service with a specific bank or other credit card that indicates the caller's desire for this service when the card is utilized.

It is estimated that out of the universe of long distance callers, 20% would decline this service while 80% would accept. Of the 80% accepting, 30% would already have the cheapest rate available and 50% would be able to benefit from this service. Assuming 973 non-coin long distance calls annually and the 50% of callers who would accept the service and benefit from it equates to 487 calls annually. By charging a $.25 premium on these 487 calls, the LEC would generate $122 of new revenue annually.

LEC annual revenue per line projected to be $122.

K. Universal Card Conversion

This service would be offered to the non-LEC owned pay telephone owners and is not demonstrated in this presentation.

L. Answer Detection

This service would be offered to the non-LEC owned pay telephone owners and is not demonstrated in this presentation.

M. Coin Handling/Coin in Box Accounting

This service enables the LEC to allow the premise owner, where the LEC pay telephone is located, (e.g., convenience store owner), to periodically collect the coinage. The LEC would then send the owner a bill.

Each coin collection costs the LEC approximately $8 per collection. The average pay telephone requires approximately 19 coin box collections annually. This equates to an average collection expense of $152 annually per pay telephone. If this service could be applied to 50% of all pay telephones, the annual savings would be $71.

LEC annual cost savings per line projected to be $71.

N. 1-0-XXX Fraud Prevention

This service would be offered to the non-LEC owned pay telephone owners and is not demonstrated in this presentation.

O. Chain Dialing

LEC-owned pay telephones cannot provide chain dialing. With the PGP providing this service, the LECs are able to generate revenues for Bong ($.20) and LIDB queries ($.18) for all chain dialed calls without incurring associated costs. Potential chain dialed calls are estimated to be 10% of annual Bong calls (605) or 61 calls annually. The cost savings of $.38 per call for 61 calls equals $23 annually.

LEC annual cost savings per line projected to be $23.

P. Coin Activity Line Monitoring

This PGP service is a maintenance feature which monitors the pay telephone for conditions which would indicate it was inoperable. Such conditions would be the lack of coins going into the coin vault or rapid on/off hook flashes. Both of these conditions would indicate the telephone was not operating properly. Annual revenue generated from reduced "downtime" is estimated at 1% of annual pay telephone revenue ($5,211) or $52.

LEC annual cost savings per line projected to be $52.

Q. Per Call Compensation Accounting

This service would be offered to the non-LEC owned pay telephone owners and is not demonstrated in this presentation.

R. Change Card Interface

The use of a debit card on a pay telephone would reduce fraud on "running the bank" and walkaways. It would also afford the ability to provide services to second tier long distance carriers. This service should generate a minimum cost savings of $175 annually.

LEC annual cost savings per line projected to be $175.

S. Diagnostic Monitor and Maintenance

This PGP applications would encompass diagnosing off-hook conditions such as a lack of dial tone, faulty key pads and other situations. Annual revenue generated from reduced "downtime" is estimated at 1% of annual pay telephone revenue ($5,211) or $52.

LEC annual cost savings per line projected to be $52.

Certificate of Service

I, Aundrea Mertens, corporate administrator for MessagePhone, Inc., hereby certify that I have on this thirteenth day of September, 1994, sent copies of the foregoing Reply Comments by first-class United States Mail, postage prepaid, to the parties on the attached list.

Aundrea Mertens

Gary Phillips
Policy & Program Planning Division
Federal Communications Commission
1919 M Street, NW - Room 544
Washington, DC 20554

James Wurtz
Pacific Bell & Nevada Bell
1275 Pennsylvania Ave, NW
Washington, DC 20004

Mark Nadel
Policy & Program Planning Division
Federal Communications Commission
1919 M Street, NW - Room 544
Washington, DC 20554

Mark Rosenblum
Peter Jacoby
Robert Rubin
AT&T Co.
295 North Maple Ave.
Room 3244J1
Basking Ridge, NJ 07920

International Transcription Service
2100 M Street NW
Suite 140
Washington, DC 20037

John Goodman
Charles Kennedy
James Young
Bell Atlantic
1710 H Street, NW
Washington, DC 20006

Stephen Kraskin
Attorney for U.S. Intelco
2120 L Street, NW
Suite 300
Washington, DC 20037

Randell Lowe
Charles Kallenbach
Jones, Day, Reaves & Pogue
1450 G Street NW
Washington, DC 20005-2088

Lawrence Sarjeant
U.S. West Communications, Inc.
1020 19th Street, NW
Suite 700
Washington, DC 20036

James Monk
Indiana Utility Regulatory
302 W. Washington St.
Suite E306
Indianapolis, IN 46204

Albert H. Kramer
Keck, Mahin & Cate
1201 New York Avenue, NW
Penthouse Suite
Washington, DC 20005

Cindy Z. Schonhaut, Esq.
MFS Communications Company, Inc.
3000 K Street, NW
Suite 300
Washington, DC 20007

Nancy C. Woolf
Pacific Bell
Nevada Bell
140 New Montgomery St.
Room 1523
San Francisco, CA 94105

William J. Balcerski
New York Telephone Co.
New England Telephone & Telegraph Co.
120 Bloomingdale Road
White Plains, NY 10605

Debra Berlyn
Executive Director
NASUCA
1133 15th St. NW
Suite 575
Washington, DC 20005

James Heflinger
VP & General Counsel
LiTel Telecommuncations
d/b/a LCI International
4650 Lakehurst Court
Dublin, OH 43017

Donald L. Howell, II
Deputy Attorney General
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Gail L. Polivy
GTE Service Corporation
1850 M Street, NW
Suite 1200
Washington, DC 20036

Helen H. Shockey
BellSouth Telecommunications, Inc.
4300 Southern Bell Center
675 West Peachtree Street, NE
Atlanta, GA 30375

Randell Lowe
Charles Kallenbach
Jones, Day, Reaves & Pogue
1450 G Street NW
Washington, DC 20005-2088

Randolph May
David Gross
Elizabeth Buckingham
Sutherland, Asbill & Brennan
1275 Pennsylvania Ave., NW
Washington, DC 20004-2404

Judith St. Ledger Roty
Reed, Smith, Shaw & McClay
1200 18th Street, NW
Washintgon, DC 20036

Genevieve Morelli
CompTel Association
1140 Connecticut Ave., NW
Suite 220
Washington, DC 20036

Floyd S. Keene
Larry A. Peck
Attorneys for Ameritech
2000 W. Ameritech Ctr. Dr.
Room 4H86
Hoffman Estates, IL 60196-1025

Kenneth F. Melley, Jr.
Director of Regulatory Affairs
U.S. Long Distance, Inc.
9311 San Pedro
Suite 300
San Antonio, TX 78216

Paul Rodgers
Charles D. Gray
James Bradford Ramsay
National Association of Regulatory
Utility Commissioners
1102 ICC Building, Box 684
Washington, DC 20044

Mary Sisak
MCI Telecommunications Corp.
1801 Pennsylvania Ave., NW
Washington, DC 20006

H. Richard Juhnke
Sprint Corporation
1850 M Street, NW
Suite 1100
Washington, DC 20036

J. Paul Walters, Jr.
Southwestern Bell Telephone Company
One Bell Center
Room 3520
St. Louis, MO 63101

John K. Rose
Cincinnati Bell Telephone Company
2500 PNC Center
201 East Fifth Street
Cincinnati, OH 45202

Patrick Lee
Edward Niehoff
120 Bloomingdale Road
White Plains, NY 10605

William Barvick
Midwest Independent Coin
Payphone Association
231 Madison Street
Jefferson City, MO 65101

Charles Miller
General Counsel
Value-Added Communications, Inc.
1901 S. Meyers Rd.
Suite 530
Oakbrook Terrace, IL 60181

James Gainer, Section Chief
Ann Henkener,
Assistant Attorney General
Public Utilities Section
180 E. Broad Street
Columbus, OH 43266

Darrell Townsley
Special Assistant Attorney General
Illinois Commerce Commission
180 North LaSalle St.
Suite 810
Chicago, IL 60601

Ronald Choura, Supervisor
Olga Lozano, Analyst
Telecommunications Section
Policy Division
Michigan Public Service Commission
Lansing, MI 48909-7721

Cheryl Parrino
Chairman
Public Service Commission of Wisconsin
4802 Sheboygan Avenue
Madison, WI 53707

Douglas Owens
Northwest Pay Phone Association
4705 16th St. NE
Seattle, WA 98105

James Tuthill
Nancy Woolf
Pacific Bell & Nevada bell
140 New Montgomery St.
Room 152
San Francisco, CA 94105

William Wyrough, Jr.
Associate General Counsel
Florida Public Service Commission
101 East Gaines Street
Tallahasse, FL 32399-0850

Coleen Dale, Attorney
Missouri Public Service Commission
301 West High Street
Jefferson City, MO 65102

Marta Greytok
Robert Gee
Public Utility Commission of Texas
7800 Shoal Creek Blvd.
Suite 400N
Austin, TX 78759

Ellen Averett
Veronica Smith
Counsel for PA Public Utility Commission
P.O. Box 3265
G-28, No. Office Building
Harrisburg, PA 17105-3265

Debra Lagapa
Levine, Lagapa & Block
1200 19th Street, NW
Washington, DC 20036

Brian Kinsella
Thomas Youngblood
American Hotel & Motel Association
1201 New York Avenue
Washington, DC 20005-3931

Catherine Sloan
VP - Federal Affairs
LDDS Communications, Inc.
1825 Eye Street, NW
Suite 400
Washington, DC 20006

Roy Morris
Deputy General Counsel
Allnet Communications Service
1990 M Street, NW
Suite 500
Washington, DC 20036

Linda Kent
United States Telephone Association
900 19th St., NW
Suite 800
Washington, DC 20006

Lisa Zaina
General Counsel
Organization for Protection &
Advancement
of Small Telephone Co.
2000 K Street, NW
Suite 205
Washington, DC 20006

Josephine Trubek
Grey Sayre
RCI Long Distance, Inc.
Rochester Tel Center
180 S. Clinton Avenue
Rochester, NY 14646

Jean Kiddoo
Ann Morton
Swidler & Berlin
3000 K Street, NW
Suite 300
Washington, DC 20007

Rochelle Jones
Director - Retulaory
Southern New England Telephone
227 Church Street
4th Floor
New Haven, CT 06510